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NOTES.

THE bimetallist agitation in Germany has, among other results, led to the formation of a "Union for the Protection of the German Gold Standard" (*Verein zum Schutz der deutschen Goldwährung*), including among its members many of the more prominent economists and public men, as well as bankers and other business men. It may be noted that the by-laws of the Union specially provide that firms and corporations, as well as individuals, may be admitted to membership on payment of the required fees, and it may also be remarked that the initiative to the formation of the Union has come from the economists interested in the scientific question of a monetary standard. The purpose of the organization is, more especially, to "afford some support to the defense of the gold standard against the attacks of the agrarian bimetallists."

This purpose is sought to be accomplished by means of a variety of publications, comprising tracts, newspaper correspondence, pamphlets, and books, as well as by lectures and public addresses on monetary questions and a comprehensive system of local organizations.

THOSE who are fond of calling economists "free-traders" will be interested in the bold declaration of principles made by the economists of Italy. Students of economic science who have been attacked for expounding the principles on which international exchange is conducted and for maintaining that America's great resources have enabled her to prosper in spite of protection, not because of it, may appreciate another evidence of the correctness of their position.

There is another question of even greater importance to the American people and one upon which those who teach political economy in American universities are much divided, namely: the question of extending the functions of the state and municipal governments. On this question the economic association of Italy declares its views with more vigor and clearness, if possible, than upon the question of protection.

The United States has prospered under many experiments which

would prove disastrous to a country densely populated, heavily taxed and with no great, new resources to develop. Our very abundance has made us heedless of the lessons which a century's experience should have taught or has made it possible to interpret them in opposite ways. In Italy the results of protection and of government enterprises have not only been more clear but they have also been more carefully studied, and the economists are unanimous in denouncing protection. And with the exception of a few who have been largely influenced by German teachings, they subscribe to the strong denunciation of all socialistic measures, which is given below.

The following is a translation of the platform which they adopted April 26, 1894:¹

The Liberal Economic Association is founded for the purpose of constituting a center of scientific activity for the diffusion and propagation of liberal ideas in all questions of political economy, financial and administrative, which most closely touch the material interests of the country.

The Association, while it remains outside of the strife of political parties, will seek not the less to enlighten and form a public opinion, conscientious and vigorous, which will condition and control parliamentary action and prevent the crystallization of particular interests in legislation.

The most important points in its programme are :

(1) In international relations to combat protective tariffs and to make popular the conclusion of commercial treaties based on greater tariff concessions, until tariffs are gradually reduced to their fiscal function alone.

(2) In internal affairs, to combat socialism under the twofold aspect in which it present itself ; first, of the increasing absorption, directly by the state, of industries properly belonging to private enterprise ; second, of the unhealthy increase of laws which restrain individual liberty and private property, favor the creation of monopolies, premiums, and subsidies in favor of classes and industrial groups, divide unequally the burden of taxation, increasing at every step the contact and the friction between the citizens and the administration, rendering every day more necessary the increase of an expensive and burdensome bureaucracy.

The overflow of the current, which under the name of protection, of guardianship, of vested interests, of socialism, has invaded every branch of the administrative and legislative activity, of the state, weakens the private energy ; suppresses the spirit of initiative and the sense of individual responsibility ; and by making everything, wrongly or rightly, throw the fault upon the state, it legalizes real spoliation, diminishes the productivity of labor and

¹ The *Giornale degli Economisti* is the organ of the Association.

capital, renders the nation degenerate and miserable, makes the mass of citizens tributary to a few, and with the exhaustion of all the sources of private wealth arrests the natural increase of the public revenue and makes it decline.

This last effect, through the threatening gravity with which it manifests itself today in Italy, has made sensible the material and moral damage of the entire system, has alarmed the country and furnished the germs of a vigorous reaction, and every day shows more clearly the connection between the financial problem and the economic condition of the country.

WILLIAM HILL.

HONEST MONEY.

IN both England and America great hopes are entertained by some from an improved monetary system. This seems the case in America much more than in England. It is likely, therefore, that a book by Mr. Fonda, published in America and entitled *Honest Money*,¹ will have a considerable sale. It is not a large book, and I cannot agree with the proposal Mr. Fonda makes. But it attempts to grapple with a difficult subject in a scientific manner. That alone is a good deal in these days of unscientific twaddle about bettering the lot of the workers by hindering the trade and prosperity of the country.

With some of the statements all readers of the book must have sympathy. For instance, in the preface, after describing the superabundance of wealth and facilities for production side by side with want of employment and poverty it is stated: "This is a condition that is certainly as wrong as it is unnecessary." I cordially agree that it is both unnecessary and wrong, but I do not agree that the faulty monetary system even of the United States is competent to account for all this or even for the great fluctuations to which Mr. Fonda attributes this state of affairs. The people of the United States of America have not yet thoroughly learnt that they will be most benefited by engaging in the most profitable employment their country affords and buying from their neighbors what they can get in that way more easily than by producing it themselves. Moreover, it is not very long since we in this country read that the workmen in the United States were engaging in a strike on the scale on which Americans like to do everything—the most gigantic on record. It must not be imagined that such things can take place without causing great fluctuations in prices. And work-

¹ *Honest Money*, by ARTHUR I. FONDA. New York, 1895.